

THE DRAIN CODE OF 1956 (EXCERPT)
Act 40 of 1956

280.434 Drain project; construction or studies; borrowing money or accepting advances; reimbursement; contract or note as evidence of obligation; full faith and credit; source of payments; applicability of section.

Sec. 434. (1) A drainage district may borrow money or accept the advance of work, material, or money from a public or private corporation, partnership, association, individual, or the federal government or any agency of the federal government for the payment of, or in connection with the construction of, any part of a drain project or for financing a feasibility, practicability, environmental assessment, or impact study of a drain project which may include the payment for easement or land acquisition or engineering and legal fees, or an engineering, environment impact, or assessment study, and be reimbursed by the drainage district, with or without interest as may be agreed, when funds are available. The obligation of the drainage district to make the repayment or reimbursement may be evidenced by a contract or note, which contract or note may pledge the full faith and credit of the drainage district and may be made payable out of the drain assessments made against public corporations at large, or against lands in the drainage district, or out of the proceeds of drain orders, notes, or bonds issued by the drainage district pursuant to this act or out of any other available funds, and the contract or note shall not be subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, unless the principal amount of the obligation shall exceed \$300,000.00. However, if the principal amount of the obligation is \$300,000.00 or less, then the issuance of the obligation under this section is subject to the agency financing reporting act.

(2) However, any projects in which advances or loans made by any public corporation, the federal government, or any agency of the federal government shall not be limited by this section. This section shall apply to a drain or other project instituted pursuant to any section in this act including a feasibility, practicability, environmental assessment, or impact study.

(3) A county board of commissioners by a majority vote of 2/3 of its members may pledge the full faith and credit of a county for the payment of a note of the drainage district.

History: Add. 1970, Act 112, Imd. Eff. July 23, 1970;—Am. 1974, Act 185, Imd. Eff. July 2, 1974;—Am. 1976, Act 71, Imd. Eff. Apr. 7, 1976;—Am. 1980, Act 297, Imd. Eff. Oct. 19, 1980;—Am. 2002, Act 406, Imd. Eff. June 3, 2002.

Popular name: Act 40